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ACC No. 34

Proposed

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

GENERAL WATER RATE

Availability

Available for all metered residential, commercial, multi-unit and other customers served by this District.

Schedule of Charges:

Meter Size	Monthly Service Charge	Tier One		Tier Two		Tier Three	
		Commodity Rate (per 1,000 gallons)	First Tier (Gallons)	Commodity Rate (per 1,000 gallons)	Second Tier (Gallons)	Commodity Rate (per 1,000 gallons)	Third Tier (Gallons)
Residential							
5/8-inch & 3/4-inch Low Income*	\$ 23.85	\$ 3.6308	First 3,000	\$ 4.7630	3,001 to 8,000	\$ 5.2477	Over 8,000
5/8-inch & 3/4-inch	\$ 33.85	\$ 3.6308	First 3,000	\$ 4.7630	3,001 to 8,000	\$ 5.2477	Over 8,000
1-inch	\$ 84.63	\$ 4.7630	First 15,000	\$ 5.2477	Over 15,000		
1 1/2-inch	\$ 169.25	\$ 4.7630	First 45,000	\$ 5.2477	Over 45,000		
2-inch	\$ 270.80	\$ 4.7630	First 60,000	\$ 5.2477	Over 60,000		
3-inch	\$ 541.60	\$ 4.7630	First 90,000	\$ 5.2477	Over 90,000		
4-inch	\$ 846.25	\$ 4.7630	First 150,000	\$ 5.2477	Over 150,000		
6-inch	\$ 1,692.50	\$ 4.7630	First 400,000	\$ 5.2477	Over 400,000		
8-inch	\$ 2,708.00	\$ 4.7630	First 1,000,000	\$ 5.2477	Over 1,000,000		
10-inch	\$ 3,892.75	\$ 4.7630	First 1,500,000	\$ 5.2477	Over 1,500,000		
12-inch	\$ 7,277.75	\$ 4.7630	First 2,250,000	\$ 5.2477	Over 2,250,000		
Commercial, Irrigation, Miscellaneous and Resale							
5/8-inch & 3/4-inch	\$ 33.85	\$ 4.7630	First 9,000	\$ 5.2477	Over 9,000		
1-inch	\$ 84.63	\$ 4.7630	First 15,000	\$ 5.2477	Over 15,000		
1 1/2-inch	\$ 169.25	\$ 4.7630	First 45,000	\$ 5.2477	Over 45,000		
2-inch	\$ 270.80	\$ 4.7630	First 60,000	\$ 5.2477	Over 60,000		
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8-inch	\$ 2,708.00	\$ 4.7630	First 1,000,000	\$ 5.2477	Over 1,000,000		
10-inch	\$ 3,892.75	\$ 4.7630	First 1,500,000	\$ 5.2477	Over 1,500,000		
12-inch	\$ 7,277.75	\$ 4.7630	First 2,250,000	\$ 5.2477	Over 2,250,000		
Apartments, RV Parks and Resorts							
Apts / RV - 1-inch	\$ 21.24	\$ 4.7630	First 15,000	\$ 5.2477	Over 15,000		
Apts / RV - 2-inch	\$ 21.24	\$ 4.7630	First 150,000	\$ 5.2477	Over 150,000		
Apts / RV - 4-inch	\$ 21.24	\$ 4.7630	First 150,000	\$ 5.2477	Over 150,000		
Apts / RV - 6-inch	\$ 21.24	\$ 4.7630	First 400,000	\$ 5.2477	Over 400,000		

Low Income Surcharge: \$(0.0237)

The surcharge will be added to the highest block commodity rate (residential, apartment, industrial and commercial customer only), and will change upon the Company's annual reconciliation of number of participants and top tier usage.

Low Income Program details are noted in the Terms and Conditions section for General Water Rates.

(continued on next page)

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Decision No. XXXXX

GENERAL WATER RATE
(continued)

Terms and Conditions

Water service provided under this rate schedule is subject to this District's Rules and Regulations applicable to Water Service and may be subject to this District's Service Charges set forth in Rate Schedule Service Charges and adjustors mechanisms included in the Company's tariffs on file with the Arizona Corporation Commission.

Water service under this Schedule is for the exclusive use of the Customer and water shall not be resold or provided to others.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per Commission Rule 14-2-409D(5).

A 1½% late payment penalty will be applied to account balances not paid within fifteen (15) days after the postmark date of the bill in accordance with Arizona Administrative Code R14-2-310.C.

Low Income Program – Monthly Low Income Credit of \$10.00 is available in the Havasu Water. Requires the completion of a Low Income Program Application. Program is restricted to the first 100 eligible residential customers on 5/8 x 3/4 inch meters in the Havasu Water district. Applicants must swear that he/she has annual income below the threshold. The threshold is below 150% of the federal low income guidelines as periodically revised. Applicant may not be claimed as a dependent on another person's tax return. Applicant must reapply each time moving residences. Refusal or failure to provide acceptable documentation of eligibility, upon request, shall result in removal from the low income program. Rebilling of customers under the otherwise applicable rate schedule may occur for periods of ineligibility previously billed under the low income tariff. Annual income means the value of all money and non-cash benefits available for living expenses, from all sources, both taxable and non-taxable, before deductions, for all people who live with the applicant.

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EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

SERVICE CHARGES
(continued)

Service Line and Meter Installation Charges

As provided for in EPCOR Water Arizona, Inc.'s Havasu Water District Rule No. 4 (B), the Company will charge the customer, as a refundable advance in aid of construction, an amount for each meter and service line as specified below:

Service Line and Meter Installation Charges:

Meter Size	Service Line Charge	Meter Installation Charge
5/8" x 3/4- inch Meter	\$4,000	\$165.00
3/4- inch Meter	\$4,000	\$185.00
1- inch Meter	\$4,000	\$220.00
1-1/2 - inch Meter	\$4,000	\$325.00
2- inch Turbine Meter	\$4,000	\$385.00
2- inch Compound Meter	\$4,000	\$1,050.00
3- inch Turbine Meter	\$4,000	\$1,065.00
3- inch Compound Meter	\$4,000	\$1,665.00
4- inch Turbine Meter	\$4,000	\$1,335.00
4- inch Compound Meter	\$4,000	\$2,445.00
6- inch Turbine Meter	\$4,000	\$2,665.00
6- inch Compound Meter	\$4,000	\$3,700.00
Over 6" Meter	At Cost	At Cost

Terms and Conditions

An applicant for water service shall pay to the Company, as a refundable advance in aid of construction the full cost to provide the new service line and meter.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per Commission Rule 14-2-409.D.5.

All advances and/or contributions are to include labor, materials, overheads, and all applicable taxes, including all gross-up taxes for income taxes, if applicable.

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EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

COMMON FACILITIES HOOK-UP FEE

I. Purpose and Applicability

The purpose of the Common Facilities hook-up fee payable to EPCOR Water Arizona Inc. (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional common water facility infrastructure to provide water production, delivery, treatment, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff. The charges are one-time charges and are payable as a condition to the Company’s establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing water utilities shall apply interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections, and may include developers and/or builders of new residential subdivisions.

“Main Extension Agreement” means any agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities, which may include Common Facilities, to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, in either case which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Common Facilities” means all wells, storage tanks, production, treatment, booster pumps, pressure tanks, transmission mains and related appurtenances, including engineering and design costs, constructed for the benefit of the water system and not for the exclusive use of the Applicant’s development.

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of meter size.

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Havasu Water District
(Name of Service Area)

COMMON FACILITIES HOOK-UP FEE

(continued)

III. Common Facilities Water Hook-up Fee

For each new service connection, the Company shall collect a Common Facilities hook-up fee derived from the following table:

COMMON FACILITIES HOOK-UP FEE TABLE		
Meter Size	Size Factor	Fee
5/8" x 3/4"	1	\$1,680.00
3/4"	1.5	\$2,520.00
1"	2.5	\$4,200.00
1-1/2"	5	\$8,400.00
2"	8	\$13,440.00
3"	16	\$26,880.00
4"	25	\$42,000.00
6" or larger	50	\$84,000.00

IV. Terms and Conditions

(A) Assessment of One Time Common Facilities Hook-up Fee: The Common Facilities hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge).

(B) Use of Common Facilities Hook-up Fee: Common Facilities hook-up fees may only be used to pay for capital items of Common Facilities, or for repayment of loans obtained for installation of Common Facilities. Common Facilities hook-up fees shall not be used for repairs, maintenance, or operational purposes.

(C) Time of Payment:

1) In the event that the Applicant that will be constructing improvements is required to enter into a Main Extension Agreement, payment of the Common Facilities hook-up fees required hereunder shall be made by the Applicant no later than within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

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EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

COMMON FACILITIES HOOK-UP FEE

(continued)

2) In the event that the Applicant for service is not required to enter into a Main Extension Agreement, the charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Common Facilities Construction by Developer: The Company and Applicant may agree to construction of Common Facilities necessary to serve a particular development by Applicant which facilities are then conveyed to the Company. In that event, Company shall credit the total cost of such Common Facilities as an offset to the Common Facilities hook-up fees due under this Tariff. If the total cost of the Common Facilities constructed by Applicant and conveyed to Company is less than the applicable Common Facilities hook-up fee due under this Tariff, Applicant shall pay the remaining amount of the Common Facilities hook-up fees owed hereunder. If the total cost of the Common Facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable Common Facilities hook-up fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the Common Facilities by the Company. The Company and Applicant may agree to construction of additional facilities that are not Common Facilities, the cost of which shall not be subject to off-set under this paragraph IV.D, but which will be subject to refund under R14-2-406(D).

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to provide water service to any Applicant or other applicant for service in the event that such Applicant or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment has not been paid.

(F) Large Subdivision Projects: In the event that the Applicant is engaged in the development of a residential subdivision containing more than 150 lots, and is a party to a Main Extension Agreement with the Company for such development, the Company may, in its discretion, agree to payment of the Common Facilities hook-up fees in installments. Such installments may be based on the residential subdivision development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements.

(G) Common Facilities Hook-Up Fees Non-refundable: The amounts collected by the Company pursuant to the Common Facilities hook-up fee tariff shall be non-refundable contributions in aid of construction

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COMMON FACILITIES HOOK-UP FEE
(continued)

LARGE WATER-USERS

Any development with a projected average daily water demand greater than 1,700 gallons per day per acre is considered to be a Large User. Large Users will be required to provide an additional renewable water supply source to Utility to meet the demands of the development that are greater than 1,700 gallons per day per acre. Examples of a renewable water supply source include surface water or a groundwater well with long-term storage credits. The renewable water supply source must be approved by Utility, and must have the appropriately allocated water rights that will be conveyed to Utility. The cost to provide a renewable water supply source to Utility will not be credited as an offset to the Common Facilities Hook-Up Fee because such costs will be due to the exclusive need for additional water by the Large User; however, the cost of that portion of a renewable water supply source that is in excess of the Large User's needs will be credited as an offset to the Common Facilities Hook-Up Fee.

Large Users may be required to enter into an agreement with Utility that will define terms and conditions, and will include fees that will be charged to Large Users for over usage. Fees will incur if Large Users use water in excess of the supply source provided, which will be reviewed by Utility on an annual basis. Continued excessive use could result in Utility requiring the Large User to develop and implement a water use reduction plan or, as a last resort, court action.

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Decision No. XXXXX

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Local and/or Regional Messaging Program Tariff – BMP 1.1**PURPOSE**

A program for the Company to actively participate in a water conservation campaign with local or regional advertising (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
 - a. Television commercials
 - b. Radio commercials
 - c. Websites
 - d. Promotional materials
 - e. Vehicle signs
 - f. Bookmarks
 - g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request:
 - a. A description of the messaging program implemented and program dates.
 - b. The number of customers reached (or an estimate).
 - c. Costs of Program implementation.

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2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Youth Conservation Education Program Tariff – BMP 2.2**PURPOSE**

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
 - a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly. In lieu of Project WET the Company may market its Water Conservation Assembly Program to all schools within its service area. The Water Conservation Assembly Program will focus on teaching students about water resources and water conservation. The assembly itself will be an interactive water conservation discussion.
 - b. Provide free resource materials and information upon request.
 - c. Provide in-classroom presentations upon request.
4. The Company shall make available free take home educational materials for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
 - a. A description of the youth conservation education process implemented.
 - b. The number of students reached (or an estimate).
 - c. A description of the written water conservation material provided free to students.
 - d. Costs of the Youth Conservation Education Program implementation.

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EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

New Homeowner Landscape Information Tariff – BMP 2.3**PURPOSE**

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall offer and make available upon request a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, applicable rate tariffs, a basic interior/exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc., watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The Company shall keep a record of the number of packets provided to new customers and make it available to the Commission upon request.

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2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Residential Audit Program Tariff – BMP 3.1**PURPOSE**

A program for the Company to promote water conservation by providing customers with information on performing water audits to determine conservation opportunities at their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.1: Residential Audit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall offer self-audit information.
2. The Company or designated representative shall provide all customers that request them with a self-audit kit.
3. The kit shall include detailed instructions and tools for completing the water audit including information on how to check their water meter. The audit kit shall include but not be limited to information on checking the following components: irrigation system, pool, water features, toilets, faucets and shower.
4. If requested, the Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
5. The Company shall keep a record of the following information and make it available to the Commission upon request:
 - a. A description of the water conservation material provided in the kit.
 - b. The number of kits provided to customers.
 - c. Implementation costs of the Residential Audit Program.

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2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Residential Interior Retrofit Program Tariff – BMP 3.4**PURPOSE**

A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.4: Residential Interior Retrofit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall provide to residential customers that request them that live in homes built prior to the adoption of the 1990 Uniform Plumbing Code free or low cost low water use fixtures such as faucets, faucet aerators, low flow shower heads, toilets and toilet dams. The Company must offer the fixtures/fixture retrofits to all residential customers meeting the above criteria unless the Company can demonstrate that targeting certain portions of its water service area is likely to yield the highest participation and/or potential water savings.
2. The fixtures or retrofit kit shall include detailed instructions for installing the retrofit fixtures.
3. The Company shall select appropriate communications channels to advertize the program.
4. The Company shall keep a record of the following information and make it available to the Commission upon request:
 - a. A description of the Residential Interior Retrofit Program including a description of the fixtures provided to customers and estimated water savings as a result of Program implementation.
 - b. The number of retrofit fixtures requested by customers and the number of fixtures provided.
 - c. Costs of the Residential Interior Retrofit Program.

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2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Customer High Water Use Inquiry Resolution Tariff – BMP 3.6**PURPOSE**

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to verify consumption and conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up on every customer inquiry or complaint and keep a record of inquiries and follow-up activities. The Company shall make this information available to the Commission upon request.

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EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Customer High Water Use Notification Tariff – BMP 3.7

(Continued)

6. The Company shall offer water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.
7. The Company shall assist the customer in determining what might be causing the high water usage as well as offer the customer information regarding water conservation and landscape watering guidelines. The Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
8. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded. The Company shall make this information available to the Commission upon request.

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EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Leak Detection Program Tariff – BMP 4.1**PURPOSE**

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

On a systematic basis, the Company shall perform leak detection inspections of its distribution system to identify and fix leaks.

This program shall be implemented through a strategy of targeting certain portions of the water service area which will yield the highest potential for water savings first.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a goal of less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever practical steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall visually inspect its above ground water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
 - a. areas with a history of excessive leak and break rates;
 - b. areas where leaks and breaks can result in the heaviest property damage;
 - c. areas where system pressure is high;
 - d. areas exposed to stray current and traffic vibration;
 - e. areas near stream crossings; and,
 - f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.

(Continued on Sheet No. 7i)

ISSUED: February 20, 2012
Month Day YearEFFECTIVE: January 20, 2012
Month Day YearISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027Decision No. 72741

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

Leak Detection Program Tariff – BMP 4.1
(continued)

5. The Company shall maintain a complete set of updated distribution system maps.
6. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
- a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12-month review period.
 - b. Track and estimate any unmetered authorized uses.
 - c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = \frac{[(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100\%}{}$$
 - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
7. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

ISSUED: February 20, 2012
Month Day YearEFFECTIVE: January 20, 2012
Month Day YearISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.

(Name of Company)

(623) 445-2416

(Water Conservation Phone)

Havasu Water District

(Name of Service Area)

WATER SYSTEM TAMPERING TARIFF – BMP 5.2**PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall make available to all its customers a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

ISSUED: February 20, 2012
Month Day YearEFFECTIVE: January 20, 2012
Month Day YearISSUED BY: Sheryl L Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

WATER SERVICE TERMINATION AGREEMENT
WITH LAKE HAVASU CITY

EPCOR Water Arizona, Inc. ("Company") has been granted a variance from Arizona Corporation Commission Rule A.A.C. R14-2-410.A.2 for the limited purpose of entering into a Water Services Termination Agreement ("Agreement") with Lake Havasu City ("City"), a municipal provider of wastewater service, for common customers purchasing water from the Company and wastewater from the City. The purpose of this Tariff, and the authorized variance from A.A.C. R14-2-410.A.2, is to assist the City in collecting delinquent payments for wastewater utility service provided to common customers of the Company.

As per the Agreement, the Company is authorized to charge Lake Havasu City the following fees:

Fee Schedule:

Disconnect Fee (Turn-off and Turn-on service included)	\$80.00
Disconnect Cancellation Fee (When City cancels a termination request after noon (12 pm) on the date service is scheduled to be shut off)	\$20.00
Monthly Lost Revenue Fee (Based on Lake Havasu City District rates effective mm dd yyyy using average revenue from 5/8" to 1" metered residential Customers, including an applied combined state and federal tax rate of 39%)	\$xx.xx

Terms and Conditions

The Company shall comply with the terms and conditions of the Agreement.
The Agreement with the City is attached to and incorporated into this tariff.

ISSUED: May 16, 2013
Month Day Year

EFFECTIVE: July 1, 2013
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73879

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

**CUSTOMER WATER CONSUMPTION INFORMATION SHARING
WITH LAKE HAVASU CITY, WASTEWATER PROVIDER**

EPCOR Water Arizona, Inc. ("EWAZ" or "Company") is authorized to share water consumption information of individual customers with Lake Havasu City ("the City"), a municipal provider of wastewater service for common customers purchasing water from EWAZ and wastewater from the City. The purpose of this Tariff, and the authorized provision of customer water consumption information, is to assist the City in billing for wastewater utility services. City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law.

EWAZ entered into an Agreement with the City for providing individual water consumption data, in a form materially similar to the standard form agreement. The Agreement was subject to Arizona Corporation Commission ("Commission") review as set forth in Section 6 of the agreement.

EWAZ shall notify all water utility customers affected by the agreement between the Company and the City pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said tariff is approved.

ISSUED: May 16, 2013
Month Day Year

EFFECTIVE: July 1, 2013
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73879

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect EPCOR Water Arizona, Inc.'s Havasu Water District's ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

(Continued on next page)

ISSUED: June 16, 2013
Month Day Year

EFFECTIVE: June 16, 2013
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. Administratively Approved

Havasu Water District
(Name of Service Area)

CROSS-CONNECTION OR BACKFLOW TARIFF
(continued)

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location
 - c. date(s) of test(s);
 - d. description of repairs and recommendations for repairs made by tester; and
 - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C R14-2-410.

ISSUED: June 16, 2013
Month Day Year

EFFECTIVE: June 16, 2013
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

ADJUSTOR MECHANISMS

PURCHASED WATER ADJUSTOR MECHANISM ("PWAM")

The PWAM allows the Company to pass through purchased water costs incurred by the Company to its customers. Details can be found in the Company's Purchased Water Adjustor Mechanism Plan of Administration.

Applicability

Applicable to all customers served by this service area.

PWAM Surcharge Rate for all Customers:

All usage per 1,000 gallons per month \$0.0010 *

* Rate consists of \$0.0000 per 1,000 gallons of usage to recover the over/under collection of prior years' surcharge and \$0.0010 per 1,000 gallons of usage for the collection of current annual purchased water charges.

Terms and Conditions

The Company will annually file with the Commission by March 1 the proposed annual PWAM surcharge for the current calendar year. The filing shall contain a summary of all purchased water costs, total collections from the surcharge, and the updated surcharge amounts. All documentation to support the proposed surcharge will be included.

As part of each annual filing, the Company will perform a reconciliation for the prior reporting period comparing the amounts recovered from / refunded to customers to the amount of increase / decrease in water expenses due to changes in rates for that same period resulting in either an under / (over) recovery. This true-up will be included in the annual calculation.

The annual PWAM surcharge will be calculated based on the historic consumption of the applicable customers from the previous twelve months.

The revised PWAM surcharge will be effective on June 1 of each year.

The PWAM surcharge will appear on each applicable customer's bill as a separate line item.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts that are assessed directly or indirectly on the basis of revenues derived from this Schedule.

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ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

ADJUSTOR MECHANISMS
(continued)

POWER COST ADJUSTOR MECHANISM ("PCAM")

The PCAM allows the Company to pass through purchase power costs for any gas or electric service provider supplying retail service to the Company to its customers. Details can be found in the Company's Power Cost Adjustor Mechanism Plan of Administration.

Applicability

Applicable to all customers served by this service area.

PCAM Surcharge Rate for all Customers:

All usage per 1,000 gallons per month \$0.9394 *

* Rate consists of \$0.0000 per 1,000 gallons of usage to recover the over/under collection of prior years' surcharge and \$0.9394 per 1,000 gallons of usage for the collection of current power charges.

Terms and Conditions

The Company will annually file with the Commission by March 1 the proposed annual PCAM surcharge for the current calendar year. The filing shall contain a summary of all gas and electrical costs, total collections from the surcharge, and the updated surcharge amount. All documentation to support the proposed surcharge will be included.

As part of each annual filing, the Company will perform a reconciliation for the prior reporting period comparing the amounts recovered from/refunded to customers to the amount of increase/decrease in power expenses due to changes in rates for that same period resulting in either an under / (over) recovery. This true-up will be included in the annual calculation.

The annual PCAM surcharge will be calculated based on the historic consumption of the applicable customers from the previous twelve months.

The revised PCAM surcharge will be effective on June 1 of each year.

The PCAM surcharge will appear on each applicable customer bill as a separate line item.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts that are assessed directly or indirectly on the basis of revenues derived from this Schedule.

(continued on next page)

ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Havasu Water District
(Name of Service Area)

ADJUSTOR MECHANISMS
(continued)

SYSTEM IMPROVEMENT BENEFIT MECHANISM ("SIB")

The SIB provides for recovery of the capital costs (return on investment, income taxes and depreciation expense) associated with distribution system improvement projects listed in SIB Plant Table I that have been verified to be complete, net of associated retirements and placed in service per SIB Table II. Details can be found in the Company's System Improvement Benefit Mechanism Plan of Administration.

Availability

Applicable to all customers served by this service area.

Schedule of Charges:

Meter Size	SIB Surcharge	SIB Efficiency Credit	NET SIB Surcharge
5/8" x 3/4" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
3/4" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
1" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
1½" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
2" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
3" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
4" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
6" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
8" meter	\$ x.xx	\$ (x.xx)	\$ x.xx
10" meter	\$ x.xx	\$ (x.xx)	\$ x.xx

Terms and Conditions

Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports.

The annual SIB surcharge will be calculated based on the historic system improvements of the eligible projects from the previous twelve months.

Once a SIB surcharge is implemented the Company must file annually to true-up its SIB Surcharge collections over the preceding twelve months with the SIB Authorized Revenues for that period and establish a surcharge or credit to true up over or under collections. Filings dates for these annual true-ups shall be as established in the Decision.

The SIB surcharge, SIB efficiency credit and net SIB surcharge will all appear as separate line items on each applicable customer bill.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts that are assessed directly or indirectly on the basis of revenues derived from this Schedule.

(continued on next page)

ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. XXXXX

ADJUSTOR MECHANISMS
(continued)

PROPERTY TAX ADJUSTOR MECHANISM ("PTAM")

The PTAM allows the Company to pass through to its customers the increases or decreases in property tax expenses that result from changes to the assessment ratio or property tax rate. Pass through costs will be divided equally between residential and non-residential customer classes to collect the total increase over a 12-month period. Details can be found in the Company's Property Tax Adjustor Mechanism Plan of Administration.

Applicability

Applicable to all customers served by this service area.

PTAM Surcharge Rate for all Customers:

All usage per 1,000 gallons per month \$X.XXXX *

* Rate consists of \$X.XXXX per 1,000 gallons of usage to recover the over/under collection of prior years' surcharge and \$X.XXXX per 1,000 gallons of usage for the collection of current power charges.

Terms and Conditions

The Company will annually file with the Commission by March 1 the proposed annual PTAM surcharge for the current calendar year. The filing shall detail how the Company's property tax expenses were calculated by parcel by year. These calculations will include full cash value, assessment ratio, and tax rates by parcel. All documentation to support the proposed surcharge will be included.

As part of each annual filing, the Company will perform a reconciliation for the prior reporting period comparing the amounts recovered from/refunded to customers to the amount of increase/decrease in property tax expenses due to changes in rates for that same period resulting in either an under / (over) recovery. This true-up will be included in the annual calculation.

The revised PTAM surcharge will be effective on June 1 of each year.

The PTAM surcharge will appear on each applicable customer bill as a separate line item.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts that are assessed directly or indirectly on the basis of revenues derived from this Schedule.

ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

BILLING ADJUSTMENT TARIFF

1. PURPOSE

1.1. To outline EPCOR's general procedure on adjusting customer water utility bills.

2. SCOPE

2.1. This procedure pertains to billing adjustments for accounts with lost meters, stopped meters, and other situations where usage has been identified or service received but not billed (or under billed). Parameters within this procedure do not necessarily apply to situations where customer tampering, theft, or other actions that prevent access to the water meter are involved.

3. PROCEDURE

3.1. **Timeframe** – In cases where accounts have been identified as having water usage but have not been billed (or have been under billed), EPCOR will adjust the bill for the period identified not to exceed two years from the point of customer notification or adjustment generation. Customers will be provided the ability to spread their payments for the adjustment amount over the same time period for which the usage occurred. EPCOR will have the option of spreading the payment term beyond the original usage period, depending on the circumstances.

3.2. **Estimated Usage for Stopped Meters** – Usage for stopped meters will generally be calculated based on historical usage for similar time frames. If the customer has had changes in their usage pattern based on conservation efforts, economic factors, leak repairs, or changes to the number of occupants, these *may* be considered in adjusting the usage estimate from historical data. There may be cases where the usage is monitored or a period of time after the meter has been replaced to determine the appropriate billing adjustment amount.

3.3. **Meter Accuracy Corrections** – If any meter after testing is found to be more than 3% inaccurate, either fast or slow, proper correction between 3% and the amount of the error shall be made of previous readings and adjusted bills shall be rendered according to the following terms in accordance with the following terms:

3.3.1. For the period of 3 months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding 3 months since the meter shall have been shown to be in error by such test, or

3.3.2. From the date the error occurred, if the date of the cause can be definitely fixed.

3.3.3. No adjustment shall be made by the utility except to the customer last served by the meter tested.

(continued on next page)

ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

BILLING ADJUSTMENT TARIFF (continued)

- 3.4. **Managing Large and/or Extended Adjustments** – Bill adjustment amounts over \$2,500 that extend beyond two billing cycles will be reviewed by EPCOR and communication with the customer will be attempted prior to posting the bill to the customer account. Three unsuccessful attempts to contact the customer via the contact means provided on the customer account shall release the bill to the customer's account for posting
- 3.5. **Customer Appeals** – Customers may appeal adjustment decisions in writing or by contacting a customer care representative, the appeal will be escalated to the appropriate party and a determination will be made within 90 days.
- 3.6. **Exceptions** – It is recognized that there may be specific situations or unique circumstances where there is a management decision not to adjust a customer or group of customers.

Proposed

ISSUED: MM DD YYYY
Month Day Year

EFFECTIVE: MM DD YYYY
Month Day Year

ISSUED BY: Sheryl L. Hubbard, Director, Regulatory & Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. XXXXX